

2007, or until the time of any reassembly pursuant to section 2 of this concurrent resolution, whichever occurs first; and that when the House adjourns on the legislative day of Wednesday, January 31, 2007, on a motion offered pursuant to this concurrent resolution by its Majority Leader or his designee, it stand adjourned until 2 p.m. on Monday, February 5, 2007, or until the time of any reassembly pursuant to section 2 of this concurrent resolution, whichever occurs first.

SEC. 2. The Speaker or her designee, after consultation with the Minority Leader, shall notify the Members to reassemble at such place and time as she may designate if, in her opinion, the public interest shall warrant it.

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, the Chair will postpone further proceedings today on motions to suspend the rules on which a recorded vote or the yeas and nays are ordered, or on which the vote is objected to under clause 6 of rule XX.

Record votes on postponed questions will be taken later today.

SEASONED CUSTOMER CTR EXEMPTION ACT OF 2007

Mr. FRANK of Massachusetts. Madam Speaker, I move to suspend the rules and pass the bill (H.R. 323) to amend section 5313 of title 31, United States Code, to reform certain requirements for reporting cash transactions, and for other purposes.

The Clerk read as follows:

H.R. 323

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Seasoned Customer CTR Exemption Act of 2007".

SEC. 2. EXCEPTION FROM CURRENCY TRANSACTION REPORTS FOR SEASONED CUSTOMERS.

(a) FINDINGS.—The Congress finds as follows:

(1) The completion of and filing of currency transaction reports under section 5313 of title 31, United States Code, poses a compliance burden on the financial industry.

(2) Due to the nature of the transactions or the persons and entities conducting such transactions, some reports as currently filed may not be relevant to the detection, deterrence, or investigation of financial crimes, including money laundering and the financing of terrorism.

(3) However, the data contained in such reports can provide valuable context for the analysis of other data derived pursuant to subchapter II of chapter 53 of title 31, United States Code, as well as investigative data, which provide invaluable and indispensable information supporting efforts to combat money laundering and other financial crimes.

(4) An appropriate exemption process from the reporting requirements for certain currency transactions that are of little or no

value to ongoing efforts of law enforcement agencies, financial regulatory agencies, and the financial services industry to investigate, detect, or deter financial crimes would continue to fulfill the compelling need to produce and provide meaningful information to policy-makers, financial regulators, law enforcement, and intelligence agencies, while potentially lowering the compliance burden placed on financial institutions by the need to file such reports.

(5) The Secretary of the Treasury has by regulation, and in accordance with section 5313 of title 31, United States Code, implemented a process by which institutions may seek exemptions from filing certain currency transaction reports based on appropriate circumstances; however, the financial industry has not taken full advantage of these provisions and has contended that they are unduly burdensome.

(6) The act of providing notice to the Secretary of the Treasury of designations of exemption—

(A) provides meaningful information to law enforcement officials on exempt customers and enables law enforcement to obtain account information through appropriate legal process; and

(B) complements other sections of title 31, United States Code, whereby law enforcement can locate financial institutions with relevant records relating to a person of investigative interest, such as information requests made pursuant to regulations implementing section 314(a) of the USA PATRIOT Act of 2001.

(7) A designation of exemption has no effect on requirements for depository institutions to apply the full range of anti-money laundering controls required under subchapter II of chapter 53 of title 31, United States Code, and related provisions of law, including the requirement to apply the customer identification program pursuant to section 5326 of such title, and the requirement to identify, monitor, and, if appropriate, report suspicious activity in accordance with section 5318(g) of such title.

(8) The Federal banking agencies and the Financial Crimes Enforcement Network have recently provided guidance through the Federal Financial Institutions Examination Council Bank Secrecy Act/Anti-Money Laundering Examination Manual on applying appropriate levels of due diligence and identifying suspicious activity by the types of cash-intensive businesses that generally will be subject to exemption.

(b) SEASONED CUSTOMER EXEMPTION.—Section 5313(e) of title 31, United States Code, is amended to read as follows:

“(e) QUALIFIED CUSTOMER EXEMPTION.—

“(1) IN GENERAL.—Before the end of the 270-day period beginning on the date of the enactment of the Seasoned Customer CTR Exemption Act of 2007, the Secretary of the Treasury shall prescribe regulations that exempt any depository institution from filing a report pursuant to this section in a transaction for the payment, receipt, or transfer of United States coins or currency (or other monetary instruments the Secretary of the Treasury prescribes) with a qualified customer of the depository institution.

“(2) QUALIFIED CUSTOMER DEFINED.—For purposes of this section, the term ‘qualified customer’, with respect to a depository institution, has such meaning as the Secretary of the Treasury shall prescribe, which shall include any person that—

“(A) is incorporated or organized under the laws of the United States or any State, including a sole proprietorship (as defined in 31 C.F.R. 103.22(d)(6)(vii), as in effect on January 4, 2007), or is registered as and eligible to do business within the United States or a State;

“(B) has maintained a deposit account with the depository institution for at least 12 months; and

“(C) has engaged, using such account, in multiple currency transactions that are subject to the reporting requirements of subsection (a).

“(3) REGULATIONS.—

“(A) IN GENERAL.—The Secretary of the Treasury shall prescribe regulations requiring a depository institution to file a 1-time notice of designation of exemption for each qualified customer of the depository institution.

“(B) FORM AND CONTENT OF EXEMPTION NOTICE.—The Secretary shall by regulation prescribe the form, manner, content, and timing of the qualified customer exemption notice and such notice shall include information sufficient to identify the qualified customer and the accounts of the customer.

“(C) AUTHORITY OF SECRETARY.—

“(i) IN GENERAL.—The Secretary may suspend, reject, or revoke any qualified customer exemption notice, in accordance with criteria prescribed by the Secretary by regulation.

“(ii) CONDITIONS.—The Secretary may establish conditions, in accordance with criteria prescribed by regulation, under which exempt qualified customers of an insured depository institution that is merged with or acquired by another insured depository institution will continue to be treated as designated exempt qualified customers of the surviving or acquiring institution.”

(c) 3-YEAR REVIEW AND REPORT.—Before the end of the 3-year period beginning on the date of the enactment of this Act, the Secretary of the Treasury, in consultation with the Attorney General, the Secretary of Homeland Security, the Federal banking agencies, the banking industry, and such other persons as the Secretary deems appropriate, shall evaluate the operations and effect of the provisions of the amendment made by subsection (a) and make recommendations to Congress as to any legislative action with respect to such provision as the Secretary may determine to be appropriate.

SEC. 3. PERIODIC REVIEW OF REPORTING THRESHOLD AND ADJUSTMENT FOR INFLATION.

Section 5318 of title 31, United States Code, is amended by adding at the end the following new subsection:

“(o) PERIODIC REVIEW OF REPORTING THRESHOLD AND ADJUSTMENT FOR INFLATION.—

“(1) IN GENERAL.—Before the end of the 90-day period beginning on the date of the enactment of the Seasoned Customer CTR Exemption Act of 2007 and at least every 5 years after the end of such period, the Secretary of the Treasury shall—

“(A) review the continuing appropriateness, relevance, and utility of each threshold amount or denomination established by the Secretary, in the Secretary's discretion, for any report required by the Secretary under this subchapter; and

“(B) adjust each such amount, at such time and in such manner as the Secretary considers appropriate, for any inflation that the Secretary determines has occurred since the date any such amount was established or last adjusted, as the case may be.

“(2) REPORT.—Before the end of the 60-day period beginning upon the completion of any review by the Secretary of the Treasury under paragraph (1), the Secretary shall submit a report to the Congress containing the findings and conclusions of the Secretary in connection with such review, together with an explanation for any adjustment, or lack of adjustment, of any threshold amount or denomination by the Secretary as a result of

such review, including the adjustment for inflation.”.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Massachusetts (Mr. FRANK) and the gentleman from Alabama (Mr. BACHUS) each will control 20 minutes.

The Chair recognizes the gentleman from Massachusetts.

GENERAL LEAVE

Mr. FRANK of Massachusetts. Madam Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to express themselves on this and to include therein extraneous material.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. FRANK of Massachusetts. Madam Speaker, I yield myself such time as I may consume.

Madam Speaker, this is an example of sensible regulation because sensible regulation includes deregulation when that is appropriate.

The Committee on Financial Services reported this bill out last year. It passed the House. Surprisingly it managed not to make it through the Senate. The efficiency of that body failed us on this occasion apparently, but we are going to try again.

We believe in regulation, and this is an important area where we provide information to our financial detectives, and it is especially important with regard to terrorist financing.

But too much regulation can defeat the purpose for which regulation is intended, and we have a situation now where the banks are required to report every year on customers' transactions of \$10,000 or more. Now, one of the things this bill would do is give the Secretary of the Treasury the authority to increase a dollar figure that has been left unadjusted for inflation for too long.

More importantly, we are talking now about the exemption that is given to what we call seasoned customers of the bank. When the banks are dealing, and this is particularly important for our community bankers, when they are dealing with people whom they know, with whom they have had regular and continuing relationships, having to report every time they do a transaction of \$10,000 or more generates extra work for the bank, and I believe, if anything, interferes with the ability of the regulators to find what they should be looking for.

If we are telling people to find needles, we should not set about building them bigger haystacks. What this bill says is that where we are talking about regular customers, regular seasoned customers, they can apply for the exemption, which is in the control of the Secretary of the Treasury, with careful criteria.

And having received that exemption, as long as they remain seasoned customers of the same bank, that process does not have to be repeated every 2

years. It reduces the regulatory burden on banks, and it is particularly important to small banks.

I would ask at this point, Madam Speaker, under my general leave to include a letter to myself and the gentleman from Alabama from America's Community Bankers strongly endorsing this bill.

AMERICA'S COMMUNITY BANKERS

Washington, DC, January 22, 2007.

Hon. BARNEY FRANK,
Chairman, Financial Services Committee, House
of Representatives Washington, DC.

Hon. SPENCER BACHUS
Ranking Member, Financial Services Committee,
House of Representatives Washington, DC.

Dear Chairman Frank and Ranking Member Bachus: America's Community Bankers is pleased to support H.R. 323, the Seasoned Customer CTR Exemption Act of 2007. The legislation would make important improvements to the current exemption system for cash transaction reports (CTRs) by making it easier to exempt the routine transactions of certain seasoned business customers. H.R. 323 would more appropriately balance the cost and benefits of the Bank Secrecy Act's CTR reporting requirements. The legislation would also reduce the number of CTRs filed on routine transactions of well-known, law abiding customers.

We urge the full House of Representatives to adopt H.R. 323 and look forward to working with you to enact this important legislation.

While we fully support H.R. 323, we urge the Committee to modernize the Bank Secrecy Act further by increasing the \$10,000 threshold that triggers CTR filing. This threshold has not been updated since 1970. Increasing the \$10,000 trigger would more appropriately balance the reporting obligations of depository institutions and the information needs of law enforcement agencies.

Sincerely,

ROBERT R. DAVIS,
Executive Vice President and Managing
Director, Government Relations.

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What this will do is to reduce the paperwork burden on the banks; it will ease the burden on the regulators. It will not diminish in any way the flow of information that is needed for those whose job it is to keep us safe.

Madam Speaker, I reserve the balance of my time.

Mr. BACHUS. Madam Speaker, I yield 3 minutes to the gentleman from Texas (Mr. HENSARLING).

Mr. HENSARLING. Madam Speaker, I thank the gentleman for yielding. I certainly thank him for his leadership in this area to remove some unneeded regulation on our financial institutions. I also want to thank our new chairman, the gentleman from Massachusetts, for his steadfast support on this issue as well.

Madam Speaker, current Federal regulations require financial institutions to file a currency transaction report with the IRS for any customer transaction over \$10,000 during a business day.

We all know that these CTRs, as they are called, are designed to help our Federal law enforcement thwart money laundering and other illegal activities; but the problem is that this \$10,000

threshold which was set in 1970 is so low in the existing exemption process, so cumbersome and costly that it is causing banks to repeatedly file CTRs for many of their known and expected regular business transactions for their well-known customers.

And it doesn't matter if that business has been a so-called "seasoned customer" for the financial institution for 5, 10, 15 or even 20 years. Right now it is simply too difficult for our financial institutions to apply for exemptions for our customers that they know are not a risk. So this forces, Madam Speaker, our financial institutions to file CTRs when they know the customer is not a risk just to protect themselves from legal liability or potential large fines.

And so when law enforcement is looking for a needle in a haystack, our financial institutions are being asked to put more hay on the stack and they are being told to pay for it by taking money away from their local communities that otherwise could be used for local lending. If the financial institutions passed these CTR compliance costs on to customers, through higher fees or higher interest rates, it makes it more difficult for American citizens to save for retirement, finance a child's college education, or launch a small business that creates jobs.

This bill, which I have long supported, will fix this problem by clarifying the existing CTRs filing exemption for seasoned customers. And as a result of this legislation, when passed, a number of the 13 million-plus CTRs filed annually would stop, allowing banks to devote more of their resources to improving other suspicious activity reporting.

The fact remains, Madam Speaker, when we come across a regulation like this, if we cannot determine a compelling reason for it to exist in the modern marketplace, we have a duty to either modify it or eliminate it, and that is what we are doing today.

Congress today can help reduce the cost of banking for customers without jeopardizing critical law enforcement goals. I urge all of my colleagues to support this important bill.

Mr. FRANK of Massachusetts. Madam Speaker, I reserve the balance of my time.

Mr. BACHUS. Madam Speaker, I yield 2 minutes to the gentleman from Ohio (Mr. GILLMOR).

Mr. GILLMOR. I thank the gentleman for yielding. I would also like to thank my colleagues on the Financial Services Committee for their diligence on this legislation.

This much-needed regulatory relief provision will help reduce unnecessary paperwork for both banks and for their regulators. And by granting an exemption from currency transaction report requirements for seasoned customers, this legislation seeks to streamline the filing of CTRs, which is a critical tool for our law enforcement officials.

There is little doubt that our regulatory structure has contributed to the United States being the model for the world when it comes to financial services; but without constant attention to the burdens of outdated rules and regulations, our markets can be weighted down by unnecessary costs.

I am pleased to see that Congress is tackling the issues of the regulatory burden early in this session, and I look forward to working with Chairman FRANK, Chairman MALONEY, and Ranking Member BACHUS and the other members to look for ways to find sensible regulatory relief for our banks, our thrifts, and our credit unions.

Mr. BACHUS. Madam Speaker, I yield 2 minutes to the gentleman from New Jersey.

Mr. GARRETT of New Jersey. I thank the gentleman.

I, too, rise today in support of H.R. 323, the Seasoned Customer CTR Exemption Act of 2007, legislation which seeks to reduce the regulatory burden caused by the previous Bank Secrecy Act and does so by simplifying exemptions for financial institutions, banks, for example, in their currency transaction reports, their CTRs, on seasoned customers.

You know, while well-intentioned CTRs have imposed a tremendous regulatory burden on financial institutions without a corresponding increase in benefit to our efforts to thwart terrorist attacks, for the most part law enforcement agencies have found these reports to be largely useless in the prevention of crimes and terrorist attacks, while banks have found the filing costs and regulatory burden they create enormous.

Currency transaction reports were created to follow any large transaction through the banking industry to catch money laundering before it became a fait accompli, but the provision that created them is now outdated. What was considered a large amount of money back in 1970 is hardly so today; in fact, the threshold for filing a CTR is \$10,000, which in today's term is close to \$50,000.

So with the provisions caught in time, banks are now locked in a situation by which they are filing CTRs for many everyday transactions; and because of the frequency of these filings, paper overflows and the actual tracking of criminal activity is severely hampered. Potentially criminal transactions that should be setting all alarms with the banks and law enforcement agencies are drowned out in a sea of paperwork.

This legislation then is a good start towards helping reduce regulatory burdens on our Nation's banks and financial institutions, and I therefore encourage all of my colleagues to support this important legislation.

Mr. BACHUS. Madam Speaker, I yield 2 minutes to the gentleman from Texas (Mr. NEUGEBAUER).

Mr. NEUGEBAUER. Madam Speaker, I rise today in support of H.R. 323, the

Seasoned Customer CTR Exemption Act.

I appreciate the work of Chairman FRANK and Ranking Member BACHUS to introduce this legislation and get it on the floor quickly in this Congress.

The last Congress succeeded in passing some much-needed and long overdue regulatory relief for some of our financial institutions. Unfortunately, the provisions that originally were passed in this body as related to the CTR exemption were not included in that very important legislation.

In passing H.R. 323 today, the House is saying once more that we believe financial institutions, their customers and national security will be better served by exempting institutions from filing CTRs for their very qualified and seasoned customers.

Banks in my district have been telling me for the past few years that this legislation is needed. They tell us about the countless staff hours that it takes to file reports for customers that they have had relationships with for 20, 30 and 40 years just to be in compliance with the current regulation.

Under H.R. 323, instead of filing a form every time one of their long-standing seasoned customers comes in with a transaction over \$10,000, they will file a one-time exemption for that customer to be recognized as a seasoned and qualified customer. I think that makes more sense for the American people. I think it makes more sense to use common sense.

Someone told me recently that the District of Columbia geographically is a 10-square-mile area, some have said it is a 10-square-mile logic-free environment. Well, we have an opportunity to overcome that feeling today by bringing some logic to the way we handle these cash transactions.

I urge my colleagues to support H.R. 323. Let's bring some common sense and logic back into the way government handles national security and recognize that banks and their seasoned customers, those relationships are long-standing and that time would be better served in looking at other opportunities.

Mr. FRANK of Massachusetts. Madam Speaker, I reserve the balance of my time.

Mr. BACHUS. Madam Speaker, I yield to myself such time as I may consume.

I want to take this occasion to first thank Mr. FRANK and congratulate him. I think this is the first piece of legislation that he is bringing to the floor in his capacity as the new chairman of the Financial Services Committee. I congratulate you on your appointment to that important position, Mr. FRANK.

Mr. FRANK of Massachusetts. I thank the gentleman, and if the gentleman would yield.

Mr. BACHUS. Yes, I would yield.

Mr. FRANK of Massachusetts. I would certainly recommend the way this bill is being treated and received

on both sides as a precedent that I hope will be followed.

Mr. BACHUS. That sounds very good to me.

I do want to thank you for this piece of legislation because I think it is both a predictor of the past in that this committee has worked in a bipartisan way to do the right thing for both the customers of financial services and for the financial services institutions. And I am very optimistic that we will continue to work together.

I am going to yield back the balance of my time. I have about a five-page statement that I will spare the body having to listen to.

I do want to say this: last year this legislation came up, a similar legislation to this, both in March and July of last year; so this is basically our third shot in less than a year. It amends the Bank Secrecy Act; it amends specifically the part of that act dealing with currency transaction reports. It does not amend the part dealing with suspicious activity reports. They will continue to report to the different law enforcement agencies. What this will affect is your drug stores, your grocery stores, your retail outlets, who every day are filing these reports.

It is estimated by the Financial Crimes Enforcement Network that the cost of these alone is 25 minutes spent filing each one of these reports. So this is going to be a tremendous burden taken away from them. The American Banking Association said that it will result in a savings of \$187 million annually.

I rise in strong support of H.R. 323, The Seasoned Customer CTR Exemption Act of 2007.

H.R. 323, which I introduced with Chairman FRANK, simplifies the process by which financial institutions may be exempted from filing currency transaction reports, CTRs, for seasoned customers while still ensuring valuable information is passed on to law enforcement.

Twice last year, legislation similar to H.R. 323 passed the House overwhelmingly: H.R. 5341, the Seasoned Customer CTR Exemption Act of 2006 passed the House by voice vote last July. In addition, the language was included in the House-passed version of regulatory relief legislation—H.R. 3505—which passed the House last March by a vote of 415–2.

H.R. 323 seeks to reduce regulatory burden caused by the Bank Secrecy Act. Specifically, the legislation requires regulators to promulgate new regulations and streamline the process by which financial institutions may be exempted from filing CTRs for seasoned customers. CTRs are required to be filed for cash transactions of \$10,000 and above. This filing is required even in the case of seasoned customers—long-time bank customers that routinely deal in large volumes of cash, but whose business dealings are well-enough understood to rule out the possibility of money laundering or the financing of terror.

The Financial Crimes Enforcement Network, FinCEN, which administers the Bank Secrecy Act, received over 12 million CTRs in 2005. According to a survey conducted by the Treasury Department, more than 30 percent of

these CTRs were on recurring customer transactions that were eligible for exemption for filing under existing rules.

Unfortunately, the current process by which a financial institution can exempt seasoned customers is rarely invoked because it is difficult to understand, needlessly cumbersome, and subject to redundant renewals.

The filing of these superfluous forms imposes an unnecessary cost on both the financial services industry and the law enforcement community.

With respect to the financial services industry, according to data released last year the number of CTRs filed on an annual basis now tops 13.1 million. Even FinCEN's conservative estimate of around 25 minutes per report for filing and recordkeeping indicates the banking industry as a whole devoted about 5.5 million staff hours to handling CTRs in 2005.

Based on a survey by the American Bankers Association, the industry paid around \$187 million in wages for this staff time.

A typical bank with \$2 billion of assets filed 1,400 CTRs in 2005. These filings took 583 staff-hours, with 438 of the staffhours simply to report on long-standing customers.

With respect to the law enforcement community, not only do these superfluous reports add nothing to its efforts, they actually make it more difficult for the law enforcement community to track suspicious activity by requiring it to wade through millions of pages of unnecessary paperwork.

The Government Accountability Office, GAO, the Internal Revenue Service, IRS, and FinCEN have all recommended that the number of CTRs be reduced by 30 to 40 percent by simply exempting large well-established customers or so-called seasoned customers.

In 1994, the GAO published a report which concluded, based upon an extensive analysis of CTRs, that the volume of reports could be substantially reduced without jeopardizing law enforcement priorities. According to that report, in 1993 the IRS, which administers the CTR program, stated that 30 to 40 percent of these reports of routine deposits by large, well-established retail businesses have no likelihood of identifying potential money laundering or other currency violations.

William Fox, who headed up FinCEN from 2003 to 2006, testified as follows before our Committee:

We know that some of the currency transaction reports filed by financial institutions are of little relevance in the investigation of financial crimes. We also know that depository institutions, especially our community banks, identify the time and expense of filing CTRs as the number one regulatory expense. It is clear that our efforts to encourage the exemption of routine filings on certain customers has not brought about the reductions of filings that were sought.

H.R. 323 will reduce the number of CTRs by clarifying the exemption process, thereby freeing financial institutions from having to file CTRs for routine cash transactions with their long-time customers, i.e. supermarkets, fast food restaurants or warehouse stores. This will enable law enforcement to target its resources on CTRs where criminal or terrorist activity is suspected. Moreover, under the legislation, banks will still be required to report suspicious transactions engaged in by exempted businesses pursuant to the Suspicious Activity Reporting regime administered by FinCEN.

Let me close by thanking Chairman FRANK, Congressman HENSARLING, Congressman

MOORE, Congressman RENZI, Congresswoman HOOLEY, and Congresswoman MALONEY for all of their work on this legislation. Since this is the first bill that the gentleman from Massachusetts has brought to the floor in his capacity as Chairman of the Financial Services Committee, I want to congratulate him on his appointment, and tell him that I look forward to working with him to build on the record of bipartisan legislative accomplishments that our Committee has compiled over the past several Congresses.

Finally, let me also thank Former FinCEN Director Fox, who deserves a lot of credit for his work on this issue. I look forward to working with the Senate and the new FinCEN Director to ensure that this important legislation is signed into law.

Ms. HIRONO. Madam Speaker, I rise in strong support of H.R. 323, the Seasoned Customer CTR Exemption Act. This bill eliminates a no-longer-necessary regulatory requirement which increases the costs of doing business for hundreds of financial institutions and their customers who ultimately bear the cost of this regulation.

H.R. 323 provides long overdue relief for our financial institutions from the requirement of keeping records and filing reports called Currency Transaction Reports (CTRs) to the Treasury Department for any financial transaction valued in excess of \$10,000.00.

While the original purpose of the regulation, to identify suspected money laundering activities, was a commendable tool for Federal prosecutors, its utility has been adequately replaced since 1996 by the filing of Suspicious Activity Reports required by Treasury Department's Financial Crimes Enforcement Network. The CTRs are no longer the primary tool to identify suspected money laundering activities but banks must still file these reports, unless an exemption is given by the Department to certain "qualified business customers." The exemption procedures, however, have been found to be difficult to understand, cumbersome and still required the banks to obtain annual renewals.

This legislation will allow by statute the Treasury Department to issue regulations that would permit depository institutions to apply for an exemption from the requirement to file CTRs on a "qualified customer." The bill defines a qualified customer as any business organized or incorporated under state or federal law that has maintained a deposit account with the institution for at least twelve months and engaged in multiple currency transactions otherwise subject to the reporting requirement.

An estimated 30 percent of the 12 million CTRs received by the Treasury Department were filed on recurring customer transactions that were eligible for exemption under the current law. This bill will relieve financial institutions of the costly and unnecessary requirement to file CTRs in those instances and allow them to file a one-time notice of exemption for each qualified customer.

The Department will still be permitted where justified to suspend, reject or revoke such exemption notices to assure that it performs its legal duties. It also requires the department to report back within 3 years of enactment on the effects of the bill.

This bill is an example of Congress taking appropriate action after reviewing a regulatory requirement that made sense when first enacted but which no longer is needed. Too

often, these burdensome requirements continue on the books to the detriment of our business community. Congress should continue to work with our business community to identify other instances of unnecessary regulations and requirements so that appropriate action can be taken.

Mr. BACHUS. Madam Speaker, I yield back the balance of my time.

Mr. FRANK of Massachusetts. Madam Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Massachusetts (Mr. FRANK) that the House suspend the rules and pass the bill, H.R. 323.

The question was taken; and (two-thirds being in the affirmative) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 65

Mr. TANNER. Madam Speaker, I ask unanimous consent that my name be removed as a cosponsor of H.R. 65.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

DISTRICT OF COLUMBIA AND UNITED STATES TERRITORIES CIRCULATING QUARTER DOLLAR PROGRAM ACT

Mr. GUTIERREZ. Madam Speaker, I move to suspend the rules and pass the bill (H.R. 392) to provide for a circulating quarter dollar program to honor the District of Columbia, the Commonwealth of Puerto Rico, Guam, American Samoa, the United States Virgin Islands, and the Commonwealth of the Northern Mariana Islands, and for other purposes.

The Clerk read as follows:

H.R. 392

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "District of Columbia and United States Territories Circulating Quarter Dollar Program Act".

SEC. 2. ISSUANCE OF REDESIGNED QUARTER DOLLARS HONORING THE DISTRICT OF COLUMBIA AND EACH OF THE TERRITORIES.

Section 5112 of title 31, United States Code, is amended by adding at the end the following new subsection:

"(r) REDESIGN AND ISSUANCE OF CIRCULATING QUARTER DOLLAR HONORING THE DISTRICT OF COLUMBIA AND EACH OF THE TERRITORIES.—

"(1) REDESIGN IN 2009.—

"(A) IN GENERAL.—Notwithstanding the fourth sentence of subsection (d)(1) and subsection (d)(2) and subject to paragraph (6)(B), quarter dollar coins issued during 2009, shall have designs on the reverse side selected in accordance with this subsection which are emblematic of the District of Columbia and the territories.

"(B) FLEXIBILITY WITH REGARD TO PLACEMENT OF INSCRIPTIONS.—Notwithstanding